



DJJS FUNDING HISTORY AND 2013 GENERAL SESSION RECOMMENDATIONS

EXECUTIVE OFFICES AND CRIMINAL JUSTICE APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

Summary

This issue brief will discuss additional recommendations for the DJJS FY 2014 budget. Subjects discussed include the Genesis Work Camp building block request, the Receiving Centers and Youth Services building block request, and budget adjustments for the Executive Offices and Criminal Justice Appropriations Subcommittee (EOCJ) to consider for the DJJS budget. This issue brief will also provide a brief history of the recent funding issues for DJJS; this history is included in the appendix.

Summary of Recommendations

1. Should funds become available, the Fiscal Analyst recommends an ongoing increase of \$1,250,000 from the General Fund for the Genesis Work Camp program in DJJS.
2. Should funds become available, the Fiscal Analyst recommends a one-time increase of \$750,000 from the General Fund for receiving centers in Blanding and Cedar City.
3. Approve the recommended intent language on page 3, and listed as number one under the subheading *Additional Recommendations for Receiving Centers and Youth Services*.
4. To allow for a broad-based approach to funding receiving centers and youth services, consider adapting UCA 62A-7-104 and 62A-7-601 to include statutory language authorizing local government contributions and private donations for funding purposes, after the manner of UCA 67-5b-103
5. The Fiscal Analyst suggests that the subcommittee consider adjusting the DJJS budget from one line item into multiple line items.

Genesis Work Camp

Should funds become available, the Fiscal Analyst recommends the subcommittee forward to the Executive Appropriations Committee for further consideration, an ongoing increase of \$1.25 million from the General Fund for the Genesis Work Camp program in DJJS.

This request has been requested in previous fiscal years. During the 2012 General Session, the request was for \$1.6 million, of which, \$1.25 million was funded one-time. The Genesis Work Camp currently operates on a total budget of \$2.8 million and has a total of 40 FTE employees. The \$1.25 million funding request is for approximately 18 FTEs and associated costs. These FTEs include an Assistant Program Director, supervisors, control room supervisor, counselors, JJS technicians, maintenance workers, and an office specialist. Currently, the Genesis Work Camp is slated for closure at fiscal year-end.

During the first half of FY 2013 the Genesis Work Camp received 106 youths who completed 29,034 work hours. These work hours are community services hours ordered by the juvenile courts or restitution hours to the victims of their delinquent behavior.

Receiving Centers and Youth Services

Should funds become available, the Fiscal Analyst recommends the subcommittee forward to the Executive Appropriations Committee for further consideration, a one-time increase of \$750,000 from the General Fund for receiving centers in Blanding and Cedar City and youth services programs.

With the loss of federal Medicaid funding and the current budgeting climate, funding for receiving centers and youth services has declined with each new fiscal year. The Legislature has assisted DJJS with one-time funding for the last three fiscal years to assist with the loss of federal funds. In response, DJJS has reduced

the hours of operation at these receiving centers as well as the number of available beds. Other DJJS actions include closing portions of facilities, reducing staff, and modifying staff levels.

This building block has been requested in each general session beginning with the 2010 General Session (see appendix A for details). During the 2012 General Session, a receiving center and youth services building block request was submitted for \$2.5 million, of which \$750,000 was funded one-time by the Legislature. Each year, DJJS has returned to the Legislature to request ongoing General Fund appropriations.

Local Government Funding Options

The Fiscal Analyst suggests that avenues other than General Fund appropriations are available for funding receiving centers and youth services. For example, receiving centers and youth services are utilized heavily by local governments throughout the state. Where this is the case, it is a reasonable area to explore the possible inclusion of local governments into the funding mix. In addition to local government input, private donations could be a possible avenue to obtain funding for the receiving centers.

Children's Justice Centers Model

An example of how a state administered program can incorporate local governments and private donations into the funding mix for the operations of its programs and maintenance of its buildings is the Children's Justice Centers (CJC) program housed in the Attorney General's Office. The CJC program is administered by a state director, who contracts with the counties to operate CJCs throughout the state. The State provides a significant portion of the funding needed to operate the CJCs. The line item appropriation is allocated to counties based on a funding formula that takes into account various criteria, including the workload of each center. To cover remaining operational costs (including utilities, maintenance, administrative services, and some salaries) CJCs rely on cash and in-kind support from counties, federal grant funding, and private donations. The private donations are solicited from businesses and individuals through private, nonprofit organizations, staffed by volunteers and associated with the CJCs. Most of the buildings being used as CJCs were received from or built by private donors, or funded by counties. This public-private partnership has enabled the CJC Program to sustain its operations for almost 20 years.

In addition to the funding model used by the CJC program, statutory language authorizing CJCs provides a model for how to address the funding issues for receiving centers and youth services statutorily. UCA 67-5b-103 explicitly references local government and private donations as sources the CJC program can use to obtain funding. This section of the UCA is referenced below:

67-5b-103. Appropriation and funding.

- (1) Funding for centers under this section is intended to be broad-based, provided by a line item appropriation by the Legislature to the attorney general, and is intended to include federal grant money, local government money, and private donations.
- (2) The money appropriated shall be used to contract with each public agency designated to oversee the operation and accountability of a center and to cover administrative costs of coordination of the centers' operations.

The current statutory language authorizing DJJS to operate receiving centers and youth services is found in UCA 62A-7-104 and 62A-7-601, these are referenced below:

62A-7-104. Division responsibilities.

- (5) The division shall employ staff necessary to:
 - (c) control and supervise nonadjudicated youth placed with the division for temporary services in receiving centers, youth services, and other programs established by the division.

62A-7-601. Youth services for prevention and early intervention -- Program standards -- Program services.

- (1) The division shall establish and operate prevention and early intervention youth services programs.
- (2) The division shall adopt with the approval of the board statewide policies and procedures, including minimum standards for the organization and operation of youth services programs.
- (3) The division shall establish housing, programs, and procedures to ensure that youth who are receiving services under this section and who are not in the custody of the division are served separately from youth who are in custody of the division.
- (4) The division may enter into contracts with state and local governmental entities and private providers to provide the youth services.
- (5) The division shall establish and administer juvenile receiving centers and other programs to provide temporary custody, care, risk-needs assessments, evaluations, and control for nonadjudicated youth placed with the division.

Current statute clearly outlines the state’s role, through DJJS, in establishing receiving centers and youth services. Additional funding sources through local government and private donations, such as the CJC Program in the Attorney General’s Office, could be a funding model to apply to receiving centers and youth services. Furthermore, the Fiscal Analyst would suggest the inclusion of statutory language opening these additional avenues of funding for receiving centers and youth services.

Additional Recommendations for Receiving Centers and Youth Services

1. In addition to the \$750,000 one-time General Fund recommendation in FY 2014, the Fiscal Analyst recommends the following intent language for DJJS to analyze receiving centers and youth services and incorporating local governments and private donations into the funding mix:

The Legislature intends that the Division of Juvenile Justice Services (DJJS) return to the Executive Offices and Criminal Justice Appropriations Subcommittee (EOCJ), in the interim period between the 2013 General Session and the 2014 General Session, a detailed written report of all receiving centers operated in the State of Utah. Additionally, the Legislature intends that this report includes analysis and options for obtaining local government and private funding for the operations and maintenance of receiving centers. The funding model currently employed by the Children’s Justice Centers Program in the Attorney General’s Office shall be included in this analysis. DJJS should submit this report to the Office of the Legislative Fiscal Analyst no later than September 1, 2013.

2. To allow for a broad-based approach to funding receiving centers and youth services, the Fiscal Analyst recommends the subcommittee consider adapting UCA 62A-7-104 and 62A-7-601 to include statutory language authorizing local government contributions and private donations for funding purposes, after the manner of UCA 67-5b-103.

Budget Adjustments

The Fiscal Analyst suggests that the subcommittee consider adjusting the DJJS budget from one line item into multiple line items. The FY 2013 DJJS budget is approximately \$92 million. It is currently administered with the “Programs and Operations” line item which is broken down into six programs; the six programs are: Administration, Early Intervention Services, Community Programs, Correctional Facilities, Rural Programs, and Youth Parole Authority. These six programs range in size from \$400,000 to \$28 million.

Two major reasons for this budget adjustment are (1) to provide greater transparency and oversight of this budget and its programs, and (2) to allow for program specific performance measures.

Transparency

Federal funding is an example of a detail that is easily lost in the DJJS budget. A major portion of the federal funds DJJS receives come from grants exempt from normal rules and procedures for federal funds. Typically, spending authority for federal funds is appropriated by the Legislature and agencies are allowed,

by statute, to spend 125 percent of their appropriations, or spend 25 percent more in federal funds than they were appropriated. However, certain types of federal grants are exempt from this rule and agencies that receive funding from an exempt grant can spend as much as is available to them.

An example of an exempt grant that DJJS receives money from is the *Social Services Block Grant (SSBG)*. The SSBG is received and administered by the Department of Human Services (DHS). Because DJJS is a division in DHS, it is able to receive federal funds through the SSBG at the discretion of DHS. The SSBG is significant for EOCJ to be aware of as it is another possible source of funding available to DJJS to support its programs and operations. DJJS could obtain additional funding from the SSBG which could offset the need for additional funding through building block requests, or at least, the amount of the requests could be reduced. For example, during the 2012 General Session the SSBG and potential funds available to DJJS were not part of the discussions of its budget for FY 2013. For FY 2013 DJJS has received an increase of \$571,000 from the SSBG for a total of \$1,044,000. The same total was requested for FY 2014. The issue brief entitled *Human Services Related Revenue Options*, presented in the Social Services Appropriations Subcommittee on January 31, details the SSBG and outlines unspent funds from the grant that are available to DHS in FY 2014.

With a budget broken down into multiple line items, it would be easier for both analysts and legislators to better understand DJJS programs and have greater access to budget details, which in turn facilitates more informed budgeting decisions.

Performance Measures

Currently, DJJS reports performance measures on an agency-wide basis. The Early Intervention Services Program manages six different programs, one of which is receiving centers. These receiving centers are located throughout the Wasatch Front. Also, the Rural Programs Program manages receiving centers which are located in rural areas of the state outside of the Wasatch Front. With the current reporting methods for performance measures, the receiving centers data for both Rural Programs and Early Intervention Services are combined into an agency-wide total. This same total is then reported for the receiving centers in both programs.

With the budget reductions over the last few fiscal years, DJJS has made management decisions to reduce the funding of its receiving centers. Those budget requests in FY 2012 and FY 2011 for receiving centers have continually been used to request additional funding from the Legislature, with those in Blanding and Cedar City scheduled for closure at the end of FY 2013. Program specific performance measures, verses agency-wide performance measures, would allow for a more detailed analysis of productivity, efficiency, and effectiveness, etc. of the different receiving centers. The Legislature would be able to look more specifically at the receiving centers in Rural Programs, and compare them to those in the Early Intervention Services Program. This type of analysis would facilitate a more informed budgeting decision when considering funding for receiving centers. This same issue exists for detention centers, of which, the Weber Valley Detention Center is a part.

Conclusion

Adjusting the DJJS budget from one line item into multiple line items would allow for greater transparency and more program specific performance measures. Multiple line items would allow the Legislature to analyze the budget on a more detailed level than it currently does with the sole "Programs and Operations" line item. This in turn would facilitate EOCJ in making more informed budgeting decisions concerning the DJJS budget during each General Session.

Appendix

The Division of Juvenile Justice Services (DJJS) is currently monitoring budget issues with the Genesis Work Program, Youth Services and Receiving Centers in Blanding and Cedar City, and the Weber Valley Detention Center. These budgeting issues trace back to two major events spanning four fiscal years, beginning in FY 2009 and going through FY 2012:

- 1) **Budget Reductions.** In response to a slowing economy in FY 2009, the state of Utah began implementation of budget reductions in a special session; these budget reductions continued with each General Session through FY 2010.
- 2) **Federal Medicaid Changes.** Coinciding with state budget reductions, and effective July 1, 2010, changes in federal policy regarding payment of eligible medical/non-medical services in the Medicaid program took place. These changes resulted in about \$8.9 million in reduced Medicaid funding for DJJS. A chronology of these events and details of the impact to JJS are available in the issue brief titled: [Loss of Federal Medicaid Funds for Children and Youth in Residential Care](#) from the 2010 General Session.

Concurrent with these two major budget events, two external factors have influenced budgeting decisions for JJS during this time span:

- 1) **In-depth Budget Review.** During the 2010 interim, the Legislature requested the Office of the Legislative Fiscal Analyst perform an in-depth budget review for the Department of Human Services (DHS). While reviewing DJJS, it was found that detention centers and long-term secure facilities were not operated at full capacity. Agency-wide, bed utilization for detention centers and long-term secure facilities was at 64.7% and this utilization rate had been on a downward trend for five plus years. This finding resulted in an LFA recommendation to reduce excess bed space if the downward trend in the bed utilization rate continued. The in-depth budget review with its appendices can be found at the following links: [In-depth Budget Review](#), [Appendices 1 and 2](#), [Appendix 3](#)
- 2) **Downward Trend in Juvenile Crime.** During this time period, the Department of Public Safety released a crime report in which juvenile arrests were reported to have decreased by 13 percent in 2009 from the previous year.

Summary

To aid DJJS during this challenging time, the Legislature provided one-time General Fund appropriations; a reduced amount with each General Session to present beginning in the 2010 General Session. Rather than cutting the DJJS budget outright and necessitating abrupt changes, the Legislature provided one-time General Fund appropriations to gradually reallocate resources and reduce services from FY 2010 to present. As DJJS made budgeting choices, the state and federal budget reductions in FY 2009 and FY 2010 have evolved into, and taken the form of, funding issues with the Genesis Work Program, Youth Services and Receiving Centers in Blanding and Cedar City, and the Weber Valley Detention Center. As one-time General Fund appropriations expire with each fiscal year end, EOCJ will likely be faced with a decision of how to proceed with funding these programs during the 2013 General Session.